

Surry County Board of Commissioners
Meeting of June 15, 2021
Budget Work Session

The Surry County Board of Commissioners met at 6:00 p.m., June 15, 2021, for a budget work session. The meeting was held in the Board Room, Historic Courthouse, Dobson, N.C.

Board members present in-person for the meeting, at various times, were Chairman Mark Marion, Vice-Chairman Bill Goins, Commissioner Larry Johnson, Commissioner Van Tucker and Commissioner Eddie Harris.

Others present in-person for the meeting, at various times, were:
 Sheriff Steve Hiatt and Sheriff's Office Staff
 Chris Knopf, County Manager
 Sandy Snow, Assistant County Manager
 Rhonda Nixon, Finance Officer
 Jordan Wooten, Finance
 Doug & Andrew Carter, DEC Associates
 Jessica Montgomery, Public Works Director
 Nick Brown, 911 Communications Director
 David Speight, EMS Interim Director
 Martha Brintle, MIS Director
 Nathan Walls, Assistant to the County Manager

Chairman Marion called the meeting to order. Commissioner Harris delivered the invocation and led the Pledge of Allegiance.

Chairman Marion requested the Board review and approve the agenda. Upon motion of Commissioner Goins, seconded by Commissioner Harris, the Board voted unanimously to approve the agenda.

Chairman Marion requested the Board consider the following budget amendment #7. Upon motion of Commissioner Harris, seconded by Commissioner Goins, the Board voted unanimously to approve the following budget amendment #7:

					Change #7
The Board of County Commissioners approved an amendment to the FY2020-2021 Budget Ordinance at their meeting on June 15, 2021.					
ACCOUNT			PREVIOUS		REVISED
CODE		DESCRIPTION	AMOUNT	CHANGE	AMOUNT
GENERAL FUND					
EXPENDITURES					
Governing Body					
1054110	51500	Professional Services	180,000	10,000	190,000
		Increase departmental total	585,543	10,000	595,543
Administration					
1054120	51030	Salaries & Wages Part time	0	6,000	6,000
		Increase departmental total	252,206	6,000	258,206
Board of Elections					
1054170	51720	Contracted Services	18,450	13,000	31,450
1054170	52010	Supplies & Materials	43,500	10,000	53,500
1054170	52900	Small Equipment	0	4,280	4,280
1054170	53025	Software Licensing	0	450	450

1054170	56010	Equipment	5,494	7,810	13,304
		Increase departmental total	571,984	35,540	607,524
Register of Deeds					
1054180	51010	Salaries & Wages	289,345	10,000	299,345
		Increase departmental total	500,849	10,000	510,849
Special Appropriations					
1054198	57107	Easter Brothers Mural (NEW)	0	1,000	1,000
		Increase departmental total	381,701	1,000	382,701
Non-Departmental					
1054199	59510	General Fund Contingency	48,162	(11,000)	37,162
1054199	59545	Departmental Contingency	50,000	(16,000)	34,000
		Decrease departmental total	218,162	(27,000)	191,162
Sheriff's					
1054310	51120	Separation Allowance	199,694	(8,000)	191,694
1054310	53040	Vehicle Maintenance	100,000	16,920	116,920
		Increase departmental total	6,142,297	8,920	6,151,217
Middle School SRO					
1054314	51010	Salaries & Wages	160,065	2,000	162,065
1054314	51020	Longevity	0	6,000	6,000
		Increase departmental total	229,717	8,000	237,717
Emergency Management					
1054330	51500	Professional Services	4,500	75,000	79,500
1054330	52010	Supplies & Materials	24,696	10,000	34,696
1054330	55020	Rent-Building & Equipment	500	10,500	11,000
		Increase departmental total	160,163	95,500	255,663
Medical Examiner					
1054360	51500	Professional Services	66,700	25,000	91,700
		Increase departmental total	70,000	25,000	95,000
Emergency Services					
1054370	51010	Salaries & Wages	4,167,021	114,000	4,281,021
1054370	51030	Salaries & Wages Part time	175,000	18,000	193,000
1054370	51300	Social Security	231,787	35,000	266,787
1054370	51310	Medicare	54,208	10,000	64,208
1054370	51330	Retirement	363,833	78,000	441,833
		Increase departmental total	7,229,428	255,000	7,484,428
Horne Creek Project					
1054967	51720	Contracted Services	150,000	15,660	165,660
		Increase departmental total	15,000	15,660	30,660
Communicable Disease/STD					
1055121	51010	Salaries & Wages	339,583	651,804	991,387
1055121	52010	Supplies & Materials	24,000	75,504	99,504
1055121	52020	Medical Supplies	10,000	4,195	14,195
1055121	54010	Travel/Training	5,000	500	5,500
		Increase departmental total	517,158	732,003	1,249,161
Child Services					
1055178	54010	Travel/Training	3,654	(2,305)	1,349
		Decrease departmental total	252,206	(2,305)	249,901
Social Services Administration					
1055312	52010	Supplies & Materials	120,000	12,000	132,000
1055312	55650	Miscellaneous	2,000	27,765	29,765
		Increase departmental total	1,125,972	39,765	1,165,737
Local Assistance					
1055321	55650	Miscellaneous	25,000	10,000	35,000
		Increase departmental total	1,492,075	10,000	1,502,075

REVENUE					
1044000	48500	Insurance Refunds	15,000.00	16,920	31,920
1044000	49871	Transfer from Special Revenue Fund	169,000.00	347,850	516,850
1044000	49900	Unencumbered Balance	8,243,956.00	15,660	8,259,616
1044170	42210	HAVA Grant	22,199	35,540	57,739
1044330	42276	FEMA Funding	0	26,275	26,275
1044330	42300	Emergency Management Grant	40,696	11,375	52,071
1045121	42270	Covid 19 Crisis	198,283.00	693,187	891,470
1045121	43319	Child Service Coordinator	0.00	38,816	38,816
1045178	43319	Child Service Coordinator	7,373.00	(2,305)	5,068
1045312	42270	Covid 19 Crisis (NEW)	0	39,765	39,765
		Increase fund totals.	82,364,678	1,223,083	83,587,761
GENERAL FUND-HOME (HUD) PROGRAM					
EXPENDITURES					
1454970	57195	Boone Trail Home Program	150,000	196,800	346,800
1454970	57196	Program Returns	252,000	(32,000)	220,000
REVENUE					
1444970	42306	Home Program 2018	150,000	(93,550)	56,450
1444970	42307	Home Program 2019	0	85,100	85,100
1444970	42308	Home Program 2020	0	205,250	205,250
1444970	44350	Boone Trail Program	252,000	(32,000)	220,000
		Increase fund totals.	402,000	164,800	566,800
GENERAL FUND-SHERIFF LEVY					
EXPENDITURES					
1654322	55655	Miscellaneous - Levy	50,000	50,000	100,000
REVENUE					
1644322	48910	Misc Revenue - Levy	50,000	50,000	100,000
		Increase fund totals.	50,000	50,000	100,000
GENERAL FUND-WORKERS' COMP					
EXPENDITURES					
1754238	51355	Claims Cost	350,000	50,000	400,000
REVENUE					
1744238	49900	Unencumbered Balance	50,000	50,000	100,000
		Increase fund totals.	50,000	50,000	100,000

GENERAL FUND-ROD AUTOMATION					
EXPENDITURES					
1954182	52010	Supplies & Materials	0	300	300
REVENUE					
1944182	49900	Unencumbered Balance	30,500	300	30,800
		Increase fund totals.	64,000	300	64,300
GENERAL FUND-SCHOOL CAPITAL OUTLAY					
EXPENDITURES					
2755912	57020	County School-Land & Property	0	260,000	260,000
REVENUE					
2745912	49900	Unencumbered Balance	441,909	260,000	701,909
		Increase fund totals.	3,554,888	260,000	3,814,888
REPRESENTATIVE PAYEE FUND (NEW)					
EXPENDITURES					
3255385	57955	Beneficiary Payments	0	85,000	85,000
REVENUE					
3245385	42460	Beneficiary Income	0	85,000	85,000
		Increase fund totals.	0	85,000	85,000
AIRPORT FUND					
EXPENDITURES					
8154985	51010	Salaries & Wages	97,168	29,585	126,753
8154985	51030	Salaries & Wages - Part time	31,500	(16,000)	15,500
8154985	51330	Retirement	12,200	800	13,000
8154985	51350	Group Insurance	14,080	2,200	16,280
8154985	51720	Contracted Services	73,000	(23,000)	50,000
8154985	52460	Fuel - Airport Operations	62,700	108,560	171,260
8154985	55020	Rent - Buildings & Equipment	18,000	(17,000)	1,000
8154985	55100	Capital Leases	0	5,500	5,500
REVENUE					
8144985	44572	Fuel Flowage Fee	11,112.00	11,720	22,832
8144985	44574	Jet A Fuel Sales	85,000.00	36,925	121,925
8144985	44576	Avgas Fuel Sales	0	35,000	35,000
8144985	45120	Aircraft Fee	0	1,000	1,000
8144985	48615	Rent-Hangars	125,175	6,000	131,175
		Increase fund totals.	564,804	90,645	655,449

Chris Knopf, County Manager, discussed detention center bid openings. He said the bids were expected to come in at approximately \$33 million, but came in \$7 million higher. Mr. Knopf discussed budget cuts to the project that have been identified. He and Doug Carter, DEC Associates, discussed two funding model options provided by DEC Associates.

The Board discussed with Mr. Knopf how the funding models were projected using conservative numbers, therefore, future debt issuances should not be affected.

Commissioner Harris and Doug Carter discussed what the future holds with inflation in the country. Mr. Carter said that an increased interest rate was used to factor the funding models that were provided, so the County will be OK with the detention center budget. Discussion about other impacted County costs was had by Commissioner Harris and Mr. Carter, who said Surry County's costs across the board would go up because of inflation.

Commissioner Johnson asked Doug Carter if Surry County can take on the detention center project with the proposed funding models and Mr. Carter responded with yes.

Commissioner Tucker said project bid costs normally go up, not down. He said timing-wise, it's good the Detention Center came first. He said the County will move forward with the project, but the Board should always be cautious.

Commissioner Harris said we have to build the detention center, we don't have a choice.

Chief Deputy Paul Barker and Mr. Knopf discussed how they arrived at the cost savings.

Andrew Carter discussed how Surry County can absorb project costs because of the conservative funding models provided.

Chairman Marion thanked DEC Associates for the conservative funding models.

The Board reached a consensus of satisfaction. Chairman Marion said the Board will move forward.

Mr. Knopf reviewed the recommended FY22 budget. He first discussed the recommended property tax rate of 57.2 cents. With the recent property tax revaluation, the timing allows the County to capture extra revenue.

Mr. Knopf and Commissioner Tucker discussed how the additional 2 cents on the property tax rate, above the revenue neutral rate of 55.2 cents, would help the County increase funding for future school projects at over \$1.2 million annually. Mr. Knopf said no American Rescue Plan funding can be used for school projects or debt issuances.

Commissioners Harris and Tucker discussed how they think the State may fund a school bond project in the future. Commissioner Harris discussed the County's tax rate history, saying it had been many years since the County had raised taxes. He gave credit to previous Boards for their conservative budgeting.

Rhonda Nixon, Finance Officer, provided a handout and detailed the County's tax rate history since 2008.

Commissioners Harris and Goins, and Chairman Marion, discussed the County's capital funding needs and the importance of having capacity for County and school projects.

After more discussion, Chairman Marion, and Commissioners Johnson and Goins, said they are comfortable with the proposed tax rate. Commissioners Harris and Tucker said they would like to study the proposed tax rate some more.

Mr. Knopf proposed funding \$1,220 per student in the County's public school systems.

Commissioner Johnson requested \$1,240 per student, with \$1,230 per student as a compromise. Chairman Marion, and Commissioners Harris, Tucker and Goins said they like the County Manager's \$1,220 per student recommendation.

Commissioner Johnson said the reason he recommended more per student is that only 10 counties in NC contribute less than Surry County does, and despite that, the local public school systems are all in the top 25 rankings in the state.

Mr. Knopf said he recommends the County stay at \$115 per student for capital outlay. The Board reached consensus on that recommendation.

Mr. Knopf reviewed a Mouny Airy City Schools special capital request that would allow for savings of \$29,000 compared to what is in the recommended budget.

Mr. Knopf discussed special capital allocations and the schools special taxing districts. The Board said they would like to go revenue neutral for school tax rates.

Mr. Knopf discussed a funding request from Surry Medical Ministries, who wanted the County to increase their contribution from \$4,000 to \$53,000. The Board, Mr. Knopf and Ms. Nixon discussed what the County has budgeted for Grace Clinic's contribution.

After discussion, the Board reached consensus to fund Surry Medical Ministries and the Grace Clinic at \$5,000 each.

Mr. Knopf discussed a funding request from the Shepherd's House. He recommended a \$25,000 contribution instead of the Shepherd's House requested \$50,000. The Board discussed how Shepherd's House has raised their own funds for a new building and have not made a funding request since Mr. Knopf has been the County Manager. Discussion about what the Ark in Elkin receives from the County occurred. The Board reached consensus on providing the Shepherd's House \$25,000 since they have not made any recent funding requests.

Mr. Knopf discussed volunteer fire departments' recommended tax rates and said the recommended rates are revenue neutral.

Four fire departments would like to have their tax rates increased, which Commissioner Johnson supports. The four tax rates, if increased, would not be revenue neutral.

The other four Board members supported the County Manager's recommended revenue neutral rates.

Mr. Knopf discussed grants for Mountain Park and State Road volunteer fire departments at \$50,000 each. The Board reached a consensus to support the grants for substations associated with the two fire departments.

The Board took a recess.

The Board resumed regular business.

Mr. Knopf discussed a proposed Public Works household availability fee increase. He recommended the fee be raised from \$45 to \$50 to fund roadside litter collection.

Commissioner Tucker said he likes the recommendation.

Commissioner Johnson asked if the litter program funding has been discussed anymore and if the County is going to use inmates for litter collection or a third-party litter collection crew.

Mr. Knopf said the fee increase would create a revenue stream to fund that initiative. He added that the method of litter collection would be discussed in July after the budget is passed.

Recommended fee schedule changes for EMS, Fire Marshal and HazMat were briefly discussed.

Chief Deputy Paul Barker from the Sheriff's Office discussed with the Board a request to add four detention officers, giving sworn officer status to detention officers and providing separation allowance for sworn detention officers.

The Board discussed how they funded six new detention officer positions in the last two years. Chief Deputy Barker described overcrowding conditions in the current detention center and the efforts of detention officers to seek additional education on their own. He said he thinks the detention officers should be rewarded for their extra efforts.

Detailed discussion ensued about how other counties approach sworn level status and separation allowance for detention officers. The Board, Sheriff's Office staff, Assistant County Manager Sandy Snow and Ms. Nixon discussed specific details about the Sheriff's Office request.

The Board provided individual comments about the request.

Upon motion of Commissioner Goins, seconded by Chairman Marion, the Board voted unanimously to enter closed session.

The Board exited closed session and resumed regular business.

The Board requested an update on the remaining undecided topics to discuss at the June 21 Board meeting.

Upon motion of Commissioner Goins, seconded by Commissioner Tucker, the Board voted unanimously to adjourn at 10:12 p.m.

Nathan Walls
Clerk to the Board